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STATEMENT OF  
 ELMER B. STAATS, COMPTROLLER GENERAL  
 OF THE UNITED STATES  
 BEFORE THE LEGISLATIVE SUBCOMMITTEE 1.309  
 APPROPRIATIONS COMMITTEE  
 UNITED STATES SENATE  
 ON  
 [ SUPPLEMENTAL APPROPRIATION REQUEST ]  
 FOR FISCAL YEAR 1979

We are requesting supplemental funding to finance GAO  
 operations in FY 1979 as follows:

	(In Millions)
Title II Pay Increase Costs	\$ 7.3
Program Supplemental	<u>5.5</u>
Total Supplemental Funding Requested	<u>\$12.8</u>

I will briefly discuss the need for each of these separately.  
 A more detailed justification has already been provided to you.

PAY INCREASE COSTS

The pay supplemental request is to cover salaries and  
 benefits related to the pay raise effected by Executive Order  
 12087 of October 1, 1978. That order provides for an overall  
 pay increase of 5.5 percent. Its net effect on General  
 Accounting Office salaries and benefits is 5.1 percent.  
 Employees subject to the Executive Pay Raise of February 1977  
 compensated at the rate of \$47,500 or higher are not affected  
 by this pay raise.

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The additional funding needed to meet the increased pay levels totals \$7,281,000.

Absorption

Due to Section 311 of P.L. 95-391, which withheld from obligation and expenditure 5 percent of total budget authority for payments not required by law, we are already operating at a financial level lower than that which is required to effectively carry out our mandated responsibilities. Therefore, we are not able to offer up any part of this cost increase for absorption.

PROGRAM SUPPLEMENTAL

Significant recent congressionally directed workload increases require us to request supplemental funding for FY 1979 in the amount of \$5.5 million. This--with amounts already provided and with favorable action on our supplemental request to fund the pay increase--will finance a total of 5,182 staff years in this year. It amounts to a total funding level of \$189.3 million. The analysis of changes for FY 1979 follows:

	<u>Average Positions</u>	<u>Amount</u>
FY 1979 Appropriation	5,264	\$185.8
Portion Not Available Pursuant to P.L. 95-391	-164	- 9.3
Supplemental Requested:		
a) Required by Civilian Pay Raise	-	+ 7.3
b) Program Supplemental Required by Increased Workload	<u>+ 82</u>	<u>+ 5.5</u>
ADJUSTED TOTAL	<u>5,182</u>	<u>\$189.3</u>

The urgency of the need for these increased resources results from a couple of significant factors:

--The 5 percent spending reduction imposed by P.L. 95-391, totaling \$9.3 million constituted a reduction of 164 staff years below those which had otherwise been appropriated for our use during FY 1979 to meet our then known FY 1979 workload. Continuation at this diminished level would result in a total staff year availability of only 5,100 FY 1979 staff years. This is actually less than the 5,144 staff years that we used to meet a lesser FY 1978 workload. In short, the reduction effected by P.L. 95-391 took us below the level reasonably required to meet workload that we then knew of.

--Since we made our budget request for resources to meet our FY 1979 workload, there have been very substantial increases in that workload--totaling 400 staff years. We would have had very great difficulty dealing with these very substantial increases even if our FY 1979 appropriation had not been "cut"--through the operation of P.L. 95-391 to the present level of 5,100.

It is, therefore, apparent that for us to operate in FY 1979 with the 5,100 staff years presently available to us, we would have to absorb the increased workload that we knew of when we made our budget request as well as the very large workload increases that have occurred since that time. Clearly, we cannot do this without significant negative impacts on the fulfillment of our overall audit and evaluation responsibilities.

Given our known workload--the 5,182 staff years for which we are requesting FY 1979 funding--would not be adequate to meet our responsibilities for any substantial period of time.

It is important, therefore, that our request receive favorable consideration. It is a modest request that recognizes the delays necessarily inherent in obtaining supplemental funding. Consequently, it will not provide the resources that we need to meet increased workload. Some retrenchment in our audit and evaluation coverage over our total responsibilities will continue to be necessary in FY 1979 even with resources provided by the supplemental appropriation. But favorable action on

this request will permit us to staff up to what we believe to be minimum levels of coverage for FY 1980. Favorable action on our request is, in my judgment, in the overall best interest of the Federal Government. It is, I am confident a prudent and necessary use of Federal funds.